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C O N F I D E N T I A L SANTIAGO 001604

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E.O. 12958: DECL: 09/30/2017

TAGS: [PGOV](#) [CI](#)

SUBJECT: IT'S A "VISION THING": CONCERTACION NEEDS A LITTLE  
SIZZLE WITH ITS STEAK

REF: A. SANTIAGO 1499

[1](#)B. SANTIAGO 813 AND PREVIOUS

Classified By: Charge, a.i. Carol Urban for reasons 1.5 (b and d).

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Summary  
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[1](#)1. (C) The president of one of the four parties making up the Concertacion, Chile's governing center-left coalition, is confident Concertacion can maintain its nearly twenty year hold on power, despite discontent over how the Bachelet administration has handled issues such as the Transantiago mass transit morass. While admitting to potential "Concertacion fatigue," PPD president Bitar said that, in the end, voters will keep the coalition in power because they perceive it as more ideologically inclined than the center-right to address social issues, including labor reform and provision of health care. Concertacion will have to convince Chileans that recent problems, including charges of corruption and perceived incompetence, are not signs of stagnation and that the coalition has a vision for Chile in 2009 and beyond. End summary.

[1](#)2. (C) A/DCM had lunch September 28 with Sergio Bitar, president of the Party for Democracy (PPD), a center-left party, and one of four that make up the governing Concertacion coalition. Bitar, a former Education Minister during the Lagos administration, had just returned from New York, where he had been a member of the delegation accompanying President Bachelet to the UNGA. Bitar said Bachelet had gone over "very well" in her participation at a human rights forum at Colombia University, although her speech to the UNGA was "nothing noteworthy."

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A Simmering Pot? Probably Not  
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[1](#)3. (C) A/DCM noted that during the confirmation hearings of Ambassador-designate Simons earlier in the week, there had been some concern expressed by U.S. Senators over perceived social unrest in Chile. Was the concern warranted? Bitar said that the violent demonstrations seen on September 11 (ref A) - which included the death of a national policeman - required a strong government response, the "mano dura" (hard hand). The vast majority of Chileans rejected violent street protests. While there are legitimate grievances, for example the unresolved Transantiago mass transit problem (reftels), they are not a harbinger of an imminent social explosion. That said, much more needed to be done by the Bachelet

administration to address not only Transantiago, but also continuing shortcomings in provision of health care and education. He planned on making these very points that evening to a party gathering. (Note: He did, in remarks given extensive press coverage.)

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In Search of a Visionary  
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¶4. (C) Looking to the December 2009 presidential elections Bitar admitted that Concertacion, after eighteen years in power, risked being seen as stagnant and lacking in ideas. Corruption charges, while unproven, added an unhelpful perception that Concertacion felt entitled to power. The two years leading up to 2009 would be critical and, Bitar said, it was not just a matter of providing resources, but also putting forth a "vigorous message" explaining why and where Concertacion wanted to lead Chile. Concertacion had to be seen as wanting Chile to be innovative and daring - it had to put forth a "vision." Asked who among the current Concertacion leadership might provide such vision, Bitar was a bit nonplussed. He doubted either former President Lagos or OAS SecGen Insulza, both socialists, would run. (Note: Insulza, at least, is thought by many to be the likely Concertacion candidate.) Christian Democrat party leader Soledad Alvear could be Concertacion's standard-bearer, Bitar said without much enthusiasm, noting she was not as charismatic as Bachelet.

¶5. (C) Bitar was confident, nonetheless, that Concertacion could beat anybody that the center-right Alianza would run, including current front-runner Sebastian Pinera, a billionaire businessman, and Alianza's candidate in the 2006

run-off election. While Pinera was riding high in the polls now, so was Joaquin Lavín, Alianza's candidate in 1999, and who was defeated by Lagos. Moreover, whom would voters believe could realistically offer solutions to problems like labor reform or health care, the left or the right? If Chile faced issues such as faltering economic growth than perhaps the right would be more attractive. But on social issues, "we have more credibility."

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And Better Ties in the Neighborhood  
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¶6. (C) Bitar criticized the administration for not doing a very good job in its relations with Peru, Argentina, and Bolivia. If the Chilean economy is to continue growing, it needs to position itself as a "platform" for the region. The lack of a good physical infrastructure linking Chile with its neighbors - reflecting poor political ties - will make that task much harder.

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Comment  
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¶7. (C) Bitar's belief that sporadic, violent demonstrations are not symptomatic of a deeper social malaise is a common one in Chile. That is likely true. It's always helpful to remember that this country has made great strides in reducing poverty if not inequality. But lower and middle class Chileans do share a view that Chile is a country with money in the till and needs on the street, many of which have not been addressed by a Concertacion administration seen by many as incompetent, even if well-meaning. More than a vision, Concertacion needs to show that it still maintains the ability to provide solutions for a restless mass, if it wishes to hold onto the presidency after 2009. End comment.  
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